

## VII. PERSONAL CURRENT TRANSFER RECEIPTS

In personal income, transfer receipts are benefits received by persons for which no current services are performed. They are payments by government and business to individuals and nonprofit institutions.<sup>1</sup> Transfer receipts accounted for almost 15 percent of total personal income at the national level in 2003 (table F).

Estimates are prepared for approximately 50 subcomponents of transfer receipts.<sup>2</sup> For organizational convenience, the subcomponents are classified by source—government or business—and by recipient—individuals or nonprofit institutions. In this discussion, transfer receipts consists of three major components—receipts of individuals from governments, receipts of nonprofit institutions, and receipts of individuals from businesses.

At the county level, approximately 75 percent of the estimates of transfer receipts are derived from data for the benefits; for some programs, data may be drawn from Census publications, including the *Consolidated Federal Funds Report* (CFFR), *Federal Assistance Award Data System* (FAADS), and *State Government Finances*.<sup>3</sup> The remaining 25 percent are allocations of state estimates in proportion either to data that are related to the components or to population.

This section is organized according to the order of the presentation of the subcomponents in table F. Each subcomponent is briefly defined and the preparation of the county estimates is described.

### Current Transfer Receipts of Individuals from Governments

#### Retirement and disability insurance benefits

##### **Old-age, survivors, and disability insurance (OASDI) benefits.—**

These benefits, popularly known as social security, consist mainly of monthly benefits received by retired and disabled workers, dependents, and survivors and lump-sum benefits received by survivors. The state estimates are based on annual tabulations of payments from the Social Security Administration (SSA). The county estimates are based on SSA tabulations of the amount of monthly benefits paid to those in current-payment status on December 31 by county of residence of the beneficiaries.

**Railroad retirement and disability benefits.—**These benefits are received by retired and disabled railroad employees and their survivors under the Federal program of retirement insurance for railroad employees, who are not

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<sup>1</sup> Transfer receipts from the rest of the world are netted against similar payments to the rest of the world, and the net payments, called “personal current transfer payments to the rest of the world (net),” are entered in the national income and products accounts as part of personal outlays.

<sup>2</sup> The estimates of transfer receipts in subcomponent detail for 1969-2003 for States, counties, and metropolitan areas are available in table CA35 on this disc.

<sup>3</sup> The data in CFFR are for the federal fiscal year ending on September 30. Generally these data are converted to calendar years by adding  $\frac{3}{4}$  of the amount for one fiscal year to  $\frac{1}{4}$  of the amount for the subsequent year. The fiscal year data for the most recent year is treated as if it were calendar year data.

covered by OASDI. The state estimates are based on payments data from the Census Bureau's annual CFFR. The county estimates are based on payments data from the Census Bureau's quarterly FAADS.

**Workers' compensation.**—This compensation is received by individuals with employment-related injuries and illnesses from publicly administered workers' compensation insurance from both the Federal and state governments.

The state estimates of the compensation received under the Federal program, which covers only Federal civilian employees, are based on fiscal year data from the Census Bureau's annual CFFR. In the absence of data for counties, the state estimates are allocated to counties in proportion to estimates of Federal civilian wage and salary disbursements, which are adjusted to a place-of-residence basis.

State-administered workers' compensation funds consist of exclusively state-administered workers' compensation insurance programs, state-administered insurance programs that compete with private insurance programs, and state programs for second-injury funds.<sup>4</sup> State estimates of benefits paid by state of work are derived from the Census Bureau's annual *State Government Finances*. These data are adjusted to a place-of-residence basis by BEA. In the absence of payments data for counties, the state estimates are allocated to counties by the sum of the estimates of wages and salaries for private employees and state and local government employees, which are adjusted to a place-of-residence basis.

**Other government retirement and disability insurance benefits.**—These benefits consist of temporary disability benefits, black lung benefits, and benefits from the Pension Benefit Guaranty Corporation.

*Temporary disability benefits* are received by workers who are unemployed because of nonoccupational illnesses or injuries. These benefits are from state-administered programs only in California, New Jersey, New York, and Rhode Island. The state estimates are allocated to counties in proportion to civilian population.<sup>5</sup>

*Black lung benefits* are received by coal miners who are totally disabled by black lung disease (pneumoconiosis) and by the eligible survivors of miners whose deaths were caused by the disease. Individuals whose eligibility was established before July 1973 receive their benefits from the Social Security Administration; those whose eligibility was established since June 1973 receive benefits from the Department of Labor. The state and county estimates of the benefits received from each agency are based on fiscal year data from the Census Bureau's annual CFFR.

*Pension Benefit Guaranty benefits* are paid by the revolving fund of the Pension Benefit Guaranty Corporation (PBGC) to individuals whose PBGC-

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<sup>4</sup> Second-injury funds underwrite the risk of a subsequent work-related injury to an already disabled worker. Therefore, the liability of the employer of a disabled worker is limited to the liability for the impairment resulting from the injury sustained during the present employment. The difference between the compensation for the full impairment and the employer's liability is paid out of the second-injury fund.

<sup>5</sup> State and county total population and state civilian population are from the Census Bureau. County civilian population is obtained by subtracting BEA's estimate of active duty military employment, adjusted to a place of residence basis, from total population.

insured pensions cannot be paid by the private pension funds that are liable for the benefits. The national estimate is allocated to states based on fiscal year data from the Census Bureau's annual CFFR. The state estimates are allocated to counties in proportion to OASDI benefits, which are assumed to reflect the geographic distribution of the retired population.

## **Medical benefits**

**Medicare benefits.**—These benefits are Federal Government payments made through intermediaries to beneficiaries for the care provided to individuals under the provisions of the Medicare program. The state estimates of the benefits received under the Medicare provisions for hospital insurance and supplementary medical insurance are based on estimates of payments by area of residence as reported by the Centers for Medicare and Medicaid Services (CMS). The state estimates are allocated to counties by the dollar amounts that are paid as reimbursement for hospital and medical expenses, classified geographically according to the residence of the beneficiaries. These data are drawn from the Adjusted Average Per Capita Cost master file from CMS. Because these data are no longer being compiled, the county estimates for 1996-2003 are extrapolated from the estimates for 1995 by the change in Medicare enrollment from CMS.

**Public assistance medical care benefits.**—These medical benefits are received by low-income individuals. The benefits consist mainly of the payments made through intermediaries for care provided to individuals under the federally assisted, state-administered Medicaid program and the state children's health insurance program (SCHIP). They include payments made under the general assistance medical programs of state and local governments.

The state estimates are based on payments data from CMS. For about two-thirds of the states, the county estimates of payments made under both Medicaid and the general assistance medical programs are based on Medicaid payments data from the state departments. See table G for a list of these states and for the most current year for which the payments data are available for each state. For a year or years for which the data are not available, the available data are interpolated or the most recent year is used to prepare the county estimates. For the states for which payments data are not available by county, the state estimates of all benefits received are allocated to counties in proportion to family assistance.

The county estimates of SCHIP benefits are based on enrollment data from the various state departments of social services. For counties in states that do not provide these data, the state estimates are allocated in proportion to the estimate of children age 0-17 in poverty from the Census Bureau's *Small Area Income and Poverty Estimates*.

**Military medical insurance benefits.**—These benefits are vendor payments made under the TriCare Management Program, formerly called the Civilian Health and Medical Plan of the Uniformed Services, for the medical care of dependents of active duty military personnel and of retired military personnel and their dependents at nonmilitary medical facilities. The state estimates are

based on payments data from the Department of Defense. County data for these payments are unavailable. The state estimates are allocated to counties by military retirement payments data for September that are provided each year by the Department of Defense.

### **Income maintenance benefits**

**Supplemental Security Income (SSI) benefits.**—These benefits are received by the aged, blind, and disabled from both the Federal and state governments. The state estimates are based on Social Security Administration (SSA) tabulations of annual disbursements for two categories of SSI benefits: Basic Federal payments and supplemental state payments. The county estimates of the combined categories are based on payments data from the SSA.

**Family assistance.**—Formerly, this assistance was provided through the Federally-aided, state-administered Aid to Families with Dependent Children (AFDC) and emergency assistance programs. In 1997 they were phased out and replaced by the Temporary Assistance to Needy Families (TANF) program. The state estimates are based on unpublished quarterly data from the Administration for Children and Families (ACF) for these benefits. The county estimates are based on payments data from the various state departments of social services.

**Food stamps.**—These benefits are measured as the value of the food stamps issued to qualifying low-income individuals in order to supplement their ability to purchase food. Eligibility is determined by each state's interpretation of Federal regulations; the U.S. Department of Agriculture (USDA) pays the cost of the stamps. The state estimates are based on tabulations of the value of the distributed stamps from the Department of Agriculture. The county estimates are based on payments data from the various state departments of social services.

**Other income maintenance benefits.**—These benefits consist of general assistance benefits, foster care and adoption assistance, earned income tax credits, energy assistance, and the value of vouchers issued under the Women, Infants and Children (WIC) program.

*General assistance benefits* are received from state and local governments by low-income individuals and families who do not qualify for help under federally supported programs.<sup>6</sup> The state estimates are based on payments data from the Census Bureau's annual *State Government Finances*. The county estimates are based on payments data from the various state departments of social services. For counties in states where relevant payments data are not available, the state estimates are allocated in proportion to the estimate of people in poverty from the Census Bureau's *Small Area Income and Poverty Estimates*.

*Foster care and adoption assistance* is received from state governments by families and institutions that care for foster children and by families that adopt children. The assistance is provided by state programs, some of which are federally aided. The state estimates are based on Federal grants data from the Administration for Children and Families adjusted to reflect the fund matching

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<sup>6</sup> The Federal Government neither funds nor regulates these programs.

percentage that is required of each state. The state estimates were allocated to counties in proportion to the civilian population.

*Earned income tax credits* are Federal income tax refunds to low-income workers, mainly those with minor children. Eligibility for the tax credits is determined by the size of the adjusted gross income, or the earned income, and by certain household characteristics. Only a portion of this Federal income tax credit is counted as a transfer receipt; this portion is the excess of the tax credit over the tax liability. The state estimates are derived from tabulations of the amount of payments disbursed to the residents of each state from the Internal Revenue Service. State estimates for 1998 onward are allocated to counties in proportion to county estimates for 1998. The 1998 county estimates are based on the tabulations of these payments by ZIP Code from the Internal Revenue Service. The IRS tabulations were converted to counties by BEA.<sup>7</sup>

*Energy assistance* consists of both cash payments received by needy households and vendor payments made to suppliers to help defray the cost of home heating, cooling, and weatherization under the federally funded and state-administered energy assistance programs. The state estimates are based on payments data published by the Administration for Children and Families. The estimates for counties in most states are based on payments data from the various state departments of social services. For counties in states that do not provide these data, the state estimates are allocated to counties in proportion to unpublished Supplemental Security Income enrollment (number of recipients) from the Social Security Administration.

*Women, Infants and Children (WIC) benefits.* This program is fully funded by the USDA Food and Nutrition Service, operating mainly through state agencies. The transfers under the program take the form of vouchers issued to low-income women who are pregnant or who have young children; the vouchers are used to purchase supplemental nutritious foods. The state estimates are based on direct data provided by the Food and Nutrition Service. State estimates were allocated to counties in proportion to the estimates of family assistance benefits.

## Unemployment insurance compensation

**State unemployment insurance compensation.**—These benefits consist mainly of the compensation received by individuals under state-administered unemployment insurance (UI) programs, but they include the special benefits authorized by Federal legislation for periods of high unemployment.<sup>8</sup> The provisions that govern the eligibility, timing, and amount of benefits vary among the states, but the provisions that govern the coverage and financing are uniform nationally.

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<sup>7</sup> Tax credits for a ZIP code were assigned to county using a ZIP code to county correspondence table from the 1990 Census of Population and updated by BEA with the Delivery Statistics File from the United States Postal Service. Tax credits for ZIP codes that cross county lines were allocated to counties in proportion to their population.

<sup>8</sup> The program for Federal civilian employees and that for veterans are administered by the States, but the benefits are classified in other subcomponents of unemployment insurance compensation.

The state estimates are based on payments data from the Department of Labor. The state estimates are allocated to counties by the payments data reported by the state employment security agencies (ESA's). Most of the data are reported by county. However, some of the data are reported by local district office; these data are allocated to the counties in the jurisdiction of the local district office in proportion to the estimates of the annual average number of unemployed persons from the Local Area Unemployment Statistics program of the Bureau of Labor Statistics (BLS). When the availability of the county data is delayed or discontinued, the latest payments-based estimates are extrapolated by the change in the number of unemployed persons.

**Unemployment compensation for Federal civilian employees (UCFE).**—The UI program for Federal employees is a Federal program administered by state employment security agencies acting as agents for the U.S. Government. The state estimates are based on state data on unemployment compensation paid to Federal employees; these data are provided by the employment security agencies in all states. In about half of the states, the state estimates are allocated to the counties by county data or by local-district-office data using the same allocation procedure as that used for state unemployment insurance compensation. For the remaining states, the county allocators are residence-adjusted estimates of Federal civilian wages and salaries.

**Unemployment compensation for railroad employees.**—This compensation is received by railroad workers who are unemployed because of sickness or because work is unavailable. This UI program is administered by the Railroad Retirement Board (RRB) under a Federal formula that is applicable throughout the Nation. The state and county estimates are based on payments data from the Census Bureau's quarterly FAADS.

**Unemployment compensation for veterans (UCX).**—This compensation is received by unemployed veterans who have recently separated from military service and who are not eligible for military retirement benefits. The state estimates are based on payments data from the employment security agencies (ESA's). For about half of the states, the state estimates are allocated to counties by county data or by local-district-office data from the ESA's using the same allocation procedure as that used for state unemployment insurance compensation. For the remaining states, the county allocator is the population of veterans from the 1990 Census of population.

**Other unemployment compensation**—These benefits are *Trade Adjustment Allowances* received by workers who are unemployed because of the adverse economic effects of international trade arrangements. The state estimates are based on calendar year data for these benefits that are tabulated by "petition" (location of plant) from the Department of Labor, which administers the program. The estimates are residence adjusted by BEA to approximate a geographic distribution based on the place of receipt of the benefits. A county distribution for 1986 from the Department of Labor is used to allocate the state control for all subsequent years.

## Veterans benefits

**Veterans pension and disability benefits.**—These benefits are received primarily by veterans with service-connected disabilities and by the survivors of military personnel who died of service-connected causes. In addition, these benefits are received by war veterans who are 65 years old or older, who have nonservice-connected disabilities, who are permanently and totally disabled, and who meet specified income requirements. The state estimates are based on the data for these benefits from the Department of Veterans Affairs (DVA). The county estimates are based on payments data from the Census Bureau's quarterly FAADS.

**Veterans readjustment benefits.**—These are allowances for tuition and other educational costs that are received by veterans and by the spouses and the children of disabled and deceased veterans; and payments for automobiles, conveyances, and specially adapted housing for disabled veterans. The state estimates are based on data for these benefits from the DVA. The county estimates are based on data from the Census Bureau's quarterly FAADS.

**Veterans life insurance benefits.**—These are the claims received by the beneficiaries and the dividends received by the policyholders from the five veterans life insurance programs administered by the DVA. The state estimates are based on data for these benefits from the DVA. The county estimates are based on data from the Census Bureau's quarterly FAADS.

**Other assistance to veterans.**—This consists of state and local government assistance to indigent veterans and state and local government payments of bonuses to veterans. The state estimates of state and local government assistance and bonuses are based on fiscal year data from the Census Bureau's annual *State Government Finances*. The State estimates are allocated to counties in proportion to the population of veterans obtained from the Department of Veterans Affairs.

## Federal education and training assistance

**Federal fellowship benefits.**—These benefits are received by recipients of Federal fellowships but represent only a small portion of the total fellowship.<sup>9</sup> These benefits are estimated in three subcomponents: The payments to outstanding science students who receive National Science Foundation (NSF) grants, the subsistence payments to the cadets at the six State maritime academies, and the payments for all other Federal fellowships.

The State and county estimates of the payments to the recipients of NSF grants are based on annual NSF tabulations of the number of students receiving fellowships at each institution. The payment is assigned to the state and county in which the institution is located.

The State and county estimates of the subsistence payments to the cadets are based on payments data for each academy. The amount of the payment is assigned to the State and county in which each academy is located.

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<sup>9</sup> The larger portion of a Federal fellowship is paid to the school that the recipient attends. This payment is classified as a transfer payment to a nonprofit institution if the school is privately administered, or it is classified as a government grant-in-aid if the school is publicly administered.

Because of the lack of pertinent data, the national estimates of the payments to the recipients of all other Federal fellowships are allocated to States and counties in proportion to the civilian population.

*Interest payments on guaranteed student loans.*—These payments are made by the Department of Education to commercial lending institutions on behalf of the individuals who receive low-interest, deferred-payment loans from these institutions in order to pay the expenses of higher education. The national estimate is allocated to States in proportion to the number of individuals enrolled in institutions of higher education from the Department of Education. The allocator for the county estimates is the civilian population.

*Higher education student assistance.*—This Federal assistance, called Pell Grants, is to students with low incomes for an undergraduate education. The State and county estimates are based on payments data from the Census Bureau's annual CFFR.

*Job Corps benefits.*—These benefits are primarily the allowances for living expenses received by economically disadvantaged individuals who are between the ages of 16 and 21 and who are enrolled in the designated vocational and educational training programs. These benefits also include the adjustment allowances received by trainees upon the successful completion of their training. The State estimates are based on calendar year tabulations of the amount of allowances and allotments disbursed to the enrollees; the tabulations are from the Employment and Training Administration of the Department of Labor. The State estimates are allocated to counties in proportion to the civilian population.

### **Other transfer receipts of individuals from governments**

*Compensation of survivors of public safety officers.*—These are payments to the survivors of State and local government employees, such as police officers and fire fighters, who are killed in the line of duty; the payments are made under a Federal program. In 1988, the payment was \$100,000. Since 1988, it has been \$100,000 plus an allowance for the increase in consumer prices. The national estimate is allocated to States by the tabulations of the number of claims by State from the Department of Justice. The county allocator is the number of claims by city from the same tabulations.

*Compensation of victims of crime.*—This compensation consists of payments to crime victims and to vendors on behalf of crime victims. The national estimate of total payments is allocated to states in proportion to information assembled by the Crime Victims Board of the New York State Executive Department. The county allocator is the geographic distribution of the civilian population.

*Alaska Permanent Fund benefits.*—These benefits are the disbursements of investment income to the residents of Alaska from the Alaska Permanent Fund. The fund, which is derived from oil revenue, pays a portion of its net investment income to every resident. The state estimate is the amount that is paid and that is reported by the state. The state estimate is allocated to the boroughs and census areas in proportion to the civilian population.

*Disaster relief benefits.*—These benefits are transient accommodations reimbursements to the victims of disasters, such as hurricanes and earthquakes, from the Federal Emergency Management Agency. The national estimates are allocated to states and counties in proportion to the civilian population.

*Radiation exposure compensation.*—These are payments made under the Radiation Exposure Compensation Act, which offers compensation to individuals exposed to radiation released during above-ground nuclear weapons tests and uranium mining. The state estimates are based on direct data from the Department of Justice. The state estimates are allocated to counties in proportion to the civilian population.

*Japanese interns redress benefits.*—These benefits, which were made from 1990 an 1997, are payments to the American citizens of Japanese descent who were interned during World War II. The state and county estimates are based on tabulations of these payments by ZIP Code area from the Department of Justice. The ZIP code tabulations were converted to counties by BEA.

*Payment of anti-terrorism judgments.*—These are payments from the U.S. Treasury to satisfy certain court judgments against countries found to have sponsored terrorism. The national estimates are allocated to states and counties in proportion to the civilian population.

*Compensation of Victims of September 11.*—These payments are from a voluntary, Federally-funded program that provides compensation to eligible individuals or relatives of individuals who were killed or physically injured as a result of the terrorist-related aircraft crashes of September 11, 2001. National estimates are allocated to states and counties in proportion to an Associated Press list of confirmed dead.

*Federal educational exchange benefits.*—These benefits are payments to the students who participate in the Fulbright scholarship program and in other international educational exchange programs. The national estimates are allocated to states and counties in proportion to the civilian population.

*Bureau of Indian Affairs benefits.*—These benefits are payments to American Indians for educational and social services that are not available to them from state or local agencies. The state estimates are based on data for these payments from the Bureau of Indian Affairs. The state estimates are allocated to counties in proportion to Census Bureau estimates of the “American Indian and Alaska Native Alone” population.

## **Current Transfer Receipts of Nonprofit Institutions**

These benefits consist of the payments made by Federal, state, and local governments and by businesses to nonprofit organizations that serve individuals. These payments exclude Federal Government payments for work under research and development contracts.

**Receipts from the Federal Government.**—The national estimates of receipts from the Federal Government are allocated to states and counties in proportion to the civilian population.

**Receipts from state and local governments.**—These receipts consist of payments for education assistance and payments for employment and training. The national estimates of the payments for education assistance are allocated to states by payments data published by the Census Bureau in *State Government Finances*, and those for the payments for employment and training, by the civilian population. The state estimates of both categories of payments are allocated to counties in proportion to the civilian population.

**Receipts from businesses.**—These receipts consist mainly of corporate gifts of money, securities, and real property to nonprofit institutions serving individuals. The national estimate is based on data tabulated from Federal corporate income tax returns by the Internal Revenue Service. The national estimates are allocated to states and counties in proportion to the civilian population.

### **Current Transfer Receipts of Individuals from Businesses**

These receipts consist primarily of personal-injury liability payments to individuals other than employees. The national estimates are allocated to states and counties in proportion to the civilian population. The estimates also include BEA adjustments for net insurance settlements when actual insured losses exceed normal insured losses caused by disasters, such as hurricanes, floods, earthquakes, and the terrorist attacks of September 11, 2001.